GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:4197
ANSWERED ON:12.12.2016
Growth of Steel Sector
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Will the Minister of STEEL be pleased to state:

(a) the details of the contribution of steel sector to the GDP growth of the country in the recent quarters;
(b) whether the steel sector''s growth has seen a declining trend in the recent months;
(c) if so, the details thereof and the reasons therefor; and
(d) the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a) Indian steel sector's contribution to overall Gross Domestic Product (GDP) of the country was nearly 2% of GDP during 2015-16.

(b)&(c): Yes, Madam. Details regarding declining trend in growth of production of steel is as under:

Year	India: Crude steel Production (million tonnes or mt.)
2011-12	74.29
2012-13	78.42
2013-14	81.69
2014-15	88.98
2015-16	89.79

Source: JPC

Reason for declining trend of steel sector growth is mainly due to slowdown in global demand and overcapacity of steel plants, which have resulted in historically low international steel prices and surge in cheap imports in India which has resulted in decline of domestic steel prices. Lower prices have led to the erosion of profit margins and lower sales realization.

(d) Government has taken following steps to promote domestic steel sector:

i. To ensure that only quality steel is produced and imported, Government has notified Steel and Steel Products (Quality Control) Orders dated 12.03.12 and 04.12.15.

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ii. Govt. has notified MMDR, Amendment Act, 2015 to streamline grant of Mining Leases in order to maintain sufficient availability of raw materials for various sectors including steel sector.
iii. To provide level playing field to the domestic steel producers, Govt. has extended Minimum Import Price (MIP) on 19 steel products till 4th February, 2017 vide DGFT Notification No. 31/2015-2020 dated 03.12.2016 .
iv. Government has imposed in June.2015, an Anti- Dumping Duty on imports of certain variety of hot-rolled flat products of stainless steel from China ($309 per tonne), Korea ($180 per tonne) and Malaysia ($ 316 per tonne).
v. Hiked import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products from 5% to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. This was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.

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